

California Prison Health Care Services
RFP for TPA Medical Claims Processing Services

ADDENDUM No. 4

December 23, 2008

BIDDERS' CONFERENCE

Due to technical difficulties the Bidders' Conference was not recorded. Please refer to the following questions and answers for the discussion from the Bidders' Conference.

TPA MEDICAL CLAIMS PROCESSING SERVICES BIDDERS' CONFERENCE 12/19/2008 INFORMAL QUESTIONS AND ANSWERS		
QUESTIONS	ANSWERED BY CPHCS Subject Matter Expert	ANSWERS
1. With regards to 7.3 "Public Opening," is there any way to ensure the confidentiality of the Cost Proposal?	Marnell Voss	CPHCS makes no guarantee that any or all proposals will be kept confidential. All information will be kept confidential until the announcement of State's "intent to award." After the written notice of State's "intent to award", the public can view the selected bid/proposal including costs.
2. Please explain what you mean by the term "TPA." A typical TPA provides a fiduciary service for claim payment. It is our understanding that you desire to retain control of claim payments – is that correct?	Michelle Ogata	We want the TPA to provide full back office claims processing from mail room through claims processing. We would like electronic payments to the State Controllers Office (SCO). We will need to meet SCO requirements which may include the transfer of the file through a State agency.
3. In your request for a Statement of Work to be provided, are you looking for a plan for each of the phases described in 3.2.2 Phased Approach?	Marnell Voss	Yes
4. Does CPHCS desire that the TPA processing services fully control and manage the claim processing from the mailroom claim receiving to	Marnell Voss	Yes, CPHCS envisions that the TPA will provide services to cover a full claim processing cycle from the claim receiving to the providers' payment made by

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SCO's electronic payments?		SCO. The TPA processing must also meet SCO electronic payment requirements.
5. The Exhibit A Statement Of Work (SOW) is blank except the heading lines. Do you expect the SOW to be proposed by the implementation phase?	Marnell Voss	Yes. The TPA's SOW should demonstrate the phased approach as listed in RFP Section 3.2.2 and show a timeline to meet the implementation requirements.
6. Please clarify if the State is still looking for the SCO to issue the checks.	Marnell Voss	Yes. Payments of claims will be made by the SCO. CPHCS expects that the TPA's claims processing services comply with the SCO claim payment process requirements. Additionally, please refer to Answer #2 above.
7. Please provide examples or scenarios of the claim exception process that will be appropriate.	Michelle Ogata	All claims are currently on paper and may or may not be correct or complete. Those incorrect or incomplete claims are considered "exceptions" and the TPA should return them (and any other exceptions) to the CPHCS Healthcare Invoice, Data and Provider Services Branch (HIDPSB).
8. Can claims be received electronically?	Michelle Ogata	Currently, all claims are on paper because we don't have the means to receive them electronically. However, the TPA can propose to send electronically.
9. The current contract rates and payment arrangements of providers varies. It is very difficult to put a true cost together. What is the CDCR's/CPHCS's expectation in putting cost	Dr. Ricki Barnett	Currently, CDCR/CPHCS has no standardized rate setting process for providers. Rates are varied among healthcare providers. A standardized rate setting process is preferred. CPHCS will refer to what Medi-Cal and Medicare pay

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together?		for the same services and seek ways to establish a standardized rate setting process. Before a standardized process is established, manual claim processes are used first to allow the back end processing. For this RFP, CPHCS made Hospital Rate Matrix and Physician Rate Matrix available in the bidders' library to demonstrate different rates. It is necessary to know what a contractor's expectations of CPHCS in the TPA claim processing service because CPHCS has very limited resources. Refer to RFP Section 7.8.2. Contractor should clearly specify your commitment in the proposed SOW.
10. What are your format requirements for the technical proposal and cost proposal? Do you want separate cost proposal contents from technical proposal contents?	Marnell Voss	Refer to RFP Section 7.8. Please provide the cost proposal contents separately from the technical proposal contents, but within the same submittal.
11. The Appendix C, Page 26, refer to "Exhibits A through D". Where is Exhibit D located in the RFP?	Marnell Voss	There is not an Exhibit D. An amendment will be posted on the CPHCS website.
12. Can we have a duplicate copy of the RFP in Word format?	Marnell Voss	Yes, a Word document of the RFP will be posted on the CPHCS web site.
13. Are TPA system interfaces required to cover all inmate information of all institutions?	Ned Dickson	Yes. As part of interface requirements, the TPA will access patient ID and location data from CDCR's data systems

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		and integrate CPHCS authorization into claim processing by interfacing with Utilization Management software/systems.
14. Do TPA system interfaces include proprietary applications?	Ned Dickson Jamie Mangrum	Yes. Proprietary software/applications are used in external interfaces, middleware and system infrastructure.
15. How can TPA system interfaces support data to match the authorized and approved provider claims?	Ned Dickson Ricki Barnett Michelle Ogata Jamie Mangrum	CDCR currently has no standardized electronic authorization process, no electronic prior authorization, no staff capacity to do electronic authorizations, no centralized utilization management, no capability in handling authorization beyond manual approach, and no capacity for claim audits. CPHCS will rely on eligibility data for authorizations and validations. Projects, like Clinical Data Repository, Contracts Medical Database, Healthcare Information Management and Health Care Scheduling System, are in progress to enable a fully automated claims processing system.
16. Are providers required to forward Explanation of Benefits (EOBs) to inmates? What are benefits to eligible inmates?	Dr. Ricki Barnett	CDCR currently does not provide EOBs. Benefits to eligible inmates are based on the medical necessity for the proposed services, and its likelihood to positively impact on functional status, quality of life, pain and morbidity. Investigational and experimental

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		treatments and cosmetic/ convenience treatments are not interpreted as covered benefits.
17. What is the current backlog volume?	Michelle Ogata	Current backlog is around 60,000 invoices. Since fiscal year 05/06, there has been an 86% increase in invoices from service providers due to the court order. We have continuously invested overtime to address backlogs.
18. What are conversion requirements for claims from hard copy (various sizes and types) including fingerprints, photos, or microfiche to an electronic image?		The first bullet on Page 9 of 47 (listed under 3.2.1, #13) should be deleted. It reads "Conversion of claims from hard copy (various sizes and types) including fingerprints, photos, or microfiche to an electronic image."
19. Can TPA claim processing services be provided through offshore services or only onshore services?	Jamie Mangrum	We are requesting onshore services only. All services must be provided by eligible staff in the U.S.
20. What will be posted to the website after this bidders' conference?	Marnell Voss	Questions and answers from the bidders' conference and RFP in MS Word format. (Due to technical difficulties the conference was not recorded.)
21. The plan is to contract with a qualified TPA for an initial period of 24 months with three 12 month extension options. What is the State's intent after the initial and extension of the contract?	Michelle Ogata	The plan is to contract with a qualified firm to take over claims processing services for an initial period of 24 months (with three 12 month options) to put into practice the required improvements. It is difficult to look beyond 5 years.
22. What are the expected claim volumes?	Michelle Ogata	Refer to the Claims Processing Bidders' Library.
23. Can any backlogs be	Michelle	No. Backlogs occur due to

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related to the providers' contracts?	Ogata Dr. Ricki Barnett	various reasons that are not related to the current providers' contracts. Refer to the Bidders' library for the Navigant Consulting report on the Assessment of the CDCR Healthcare Contracting Unit.
24. Can providers' current contracts be provided in e-forms?	Marnell Voss	Health care providers' actual contract agreements, containing confidential information, cannot be provided at this point. To illustrate different rates, refer to the Bidders' library for Hospital Rate Matrix and Physician Rate Matrix.
25. If more questions are submitted by Jan. 7, when can the responses be expected?	Marnell Voss	As quickly as possible.
26. How is OBIS linked to utilization management?	Ned Dickson	Please refer to Answer #15 above.